
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes November 15, 2007

Call to Order: The monthly meeting of the School Property Tax Control Board was held on Thursday, November 15, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Tony Samuel, Richard Besinger, Debbie Hineline, Joe Bronnert, David Bowen, Bruce Hartman, Denise Seger, Morris Mills, Roger Umbaugh and Kaitlin Boldt, Administrative Officer.

Minutes and Discussion: There were no minutes to discuss.

Mt. Vernon Community School Corporation, Hancock County: Officials request approval of a transportation appeal in the amount of \$68,100 for the 2008 budget. The tax rate impact is \$0.0071. The appeal was properly advertised. Officials request the appeal due to an increase in fuel costs and an increase in the number of students transported/miles traveled. Three and a half bus drivers have been added in the past three years. The number of bus routes has increase from 27.5 to 31.5 over the past six years.

Officials request approval of a transportation appeal in the amount of \$95,000 for the 2007 budget. The tax rate impact is \$0.0010. The appeal was properly advertised. Officials request the appeal due to an increase in fuel costs and an increase in the number of students transported/miles traveled. Seven bus drivers have been added in the past three years. The number of bus routes has increase from 26.5 to 30 over the past six years.

Present for the hearing was William J. Riggs, Superintendent and Beverly Baugh, Business Manager.

Comments: Ms. Baugh, Business Manager, said they are asking for transportation appeals for calendar years 2007 and 2008. Their 2007 appeal was submitted one day late. Teresa Hemmerle told them to request both appeals this year.

Mr. Mills said he sees they do not believe in telling their taxpayers what their tax rates are going to be. The advertised levy means absolutely nothing and the taxpayers have no idea what they are planning. They have advertised rates twice as high as they were the year before. That completely destroys the ability of the taxpayers to comment. Mr. Mills said somebody lied about what they are proposing to do. That is the only time the taxpayers have any chance for any

input. Ms. Baugh said they allow public comment at every meeting that they discuss their budget. The rates are advertised inadvertently high, but it is discussed.

Dr. Seger asked if they rates are advertised high based on the recommendation of their DLGF field rep. Ms. Baugh said this has been a practice at their school corporation and their neighboring corporations for at least the 26 years she has been there. Dr. Seger asked if they had their certified AVs at the time they advertised. Ms. Baugh responded no. They have also requested a shortfall appeal.

Mr. Bowen asked what years they are requesting the appeals for. Ms. Baugh said the first transportation appeal is for calendar year 2007, but it was for the 2006-07 school year. The second appeal is for the 2007-08 school year.

Mr. Hartman said the statute talks about a ten percent increase from the previous year based on five items. Mr. Hartman said he is having a difficult time seeing how they reach that ten percent. There is fuel cost increase for the 2007-08 appeal of \$36,000 and they are adding three bus drivers for a total cost of \$29,000. Their budget last year was \$1.2 million so they need at least \$120,000, which they have not shown. Ms. Baugh said they also have additional maintenance expenses to go along with that. The actual account numbers that are included in the packet show where the expenditures come from. Mr. Hartman said the statute only allows for fuel costs and a significant increase in the number of students transported.

Mr. Bowen said he calculated the 2006-07 additional mileage at the cost per mile from their calculations and came up with \$79,009 against the \$99,000 they requested.

Mr. Besinger asked if they average 2.81 miles/gallon across their whole fleet for bussing. Ms. Baugh said their average bus routes are 8.5-10 miles per gallon. Mr. Besinger said their extra bus routes only average 2.81. Ms. Baugh said the total miles are for the additional routes. They are constantly revising their routes to try to reduce the miles traveled. Mr. Besinger asked why these routes would average out to 2.81. Mr. Besinger said for the 2007-08 appeal they have 16,000 extra gallons of fuel and 251 miles per day. Ms. Baugh said the increase was based on the calculation for the estimated fuel mileage for 2006 compared to 2007.

Motion: Mr. Besinger made a motion to deny the transportation appeals in the amount of \$95,000 for the 2007 budget and \$68,100 for the 2008 budget. Mr. Samuel seconded the motion, which favorably carried by a vote of 9-0.

Clark – Pleasant Community School Corporation, Johnson County: Officials request approval of a lease rental agreement with maximum annual payments of \$4,905,000 for a term of 27 years. Total project costs are \$60,000,000. The tax rate impact is \$0.1350 with a new facility rate impact of \$0.0738 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. An application was filed for petition/remonstrance. The vote was 2,740 yeas and 1,513 nays. The school corporation did not modify any part of the project to address taxpayer concerns. The construction cost per square

foot of the new middle school is 2.54% below the DLGF baseline. The construction cost per square foot of the addition to Clark Pleasant Middle School is 9.92% below the DLGF baseline.

Present for the hearing was J. T. Coopman, Superintendent; Steve Sonntag, Director of Business; Hoard Young, Board Member; Jane Herndon, Ice Miller; Jay Wise, Director of Operations; Brad Arbuckle, Assistant Principal; Tim Rinehold, Terry Magnuson, Shelley Gies, Terry Baker, and Becky Courtney-Knight, Principals; Tom Grabill, Financial Advisor; Steve Meno, Fifth Third Securities; Bonnie Shelton, Michael Wicke, David Penoff, Kurt Saugstad, Sue Whitney, Jay Wise, Howard Yound, and Jim White, Residents; Anne Young, Director of Clark Pleasant Academy; John Rigsbee, Jim Funk, Rosemary Rehak, and Rejar Westfall, CSO Architects and Tad Bolson, Parent.

Project: This project consists of work at three locations. The major component of this project is the construction of a new middle school building. Also included in this project is the remodeling and improvements to the current middle school to convert it to the high school annex. The last component consists of improvements at the high school building. The work on these three components will be sequenced over the next three to four years. Just as the construction will be phased, so will the funding for this project. The first segment, with bonds issued in 2008, will be the new middle school with an estimated project cost of \$54,000,000. The conversion of the current middle school to the high school annex will follow next in 2009, and the high school improvements will be the last phase with bonds issued in 2010. The last two components will be \$3,000,000 each.

The new middle school is a 280,000 square foot structure designed to house 1,600 students in grades seven and eight. The kitchen area is designed for 2,200 pupils to meet the needs when the school corporation's second intermediate school is added to this site in four or five years. The middle school will have ten classrooms, one workroom, one tutoring/resource space, one computer lab, and science lab space for each of the academic departments. Also included is a media/library center with a small TV studio. There are nine classrooms and seven laboratory spaces for art, humanities, family and consumer science, health, digital communication, and career education. The music area provides for band, orchestra, choir practice rooms, office and library. Special education needs are provided by four resource classrooms, an essential skills area, five distributed resource/tutoring areas, and an OT/PT room. The physical education area has a gymnasium with bleacher seating for 1,600, an auxiliary gymnasium with three teaching stations, a weight room, wrestling room, physical education lockers, and team lockers. The administrative area provides for a secured entry, offices, staff workroom, a clinic, and guidance area.

As a part of the conversion of the current middle school to the high school annex, there are several improvements needed. This project includes an addition to provide band room and choir room improvements. The exterior improvements include painting the existing metal roof and trim and roof repairs. The interior improvements consist of upgrading the current restrooms to be ADA compliant, create three janitor closets, add a second entry at the cafeteria, relocate the faculty dining area, replace the existing central water heater, and replace student lockers.

The last component of the project is to provide for improvements at the current high school to facilitate an anticipated major addition in the middle of the next decade. Site improvements include work on several parking lots and improvement to the storm drainage. Other improvements involve core support service areas such as the pool, renovation of locker rooms, HVAC controls in the auxiliary gymnasium and interior finish replacement.

Comments: Mr. Coopman, Superintendent, introduced attendees present and spoke about the project. Clark Pleasant Community School Corporation (CPCSC) is located twenty minutes south of Indianapolis on I-65 in Johnson County. The district is comprised of 56 square miles with significant potential acreage for housing development. They are the fourth fastest growing school district, or first by percentage of enrollment growth, in the state of Indiana. Student enrollments have increased from 2,900 ten years ago to 5,600 in 2007 – about 370 new students per year with an anticipated rate of growth to be 350-400 students per year for the next ten years.

They conduct demographic studies at least every two years to determine pockets of development and assist with long range planning. The corporation is already using the high enrollment projections from the study conducted two years ago. A study has been commissioned and was presented as a draft in July, to the Board in Retreat in August, and to the public in October following the ADM count. Enrollment increased by 370 students in the fall of 2007, down from 500 students per year in the previous two years, with projected growth to remain constant over the course of the next ten years at 350-400 students. However, with projected commercial development and infrastructure development expected, and certainly when the economy improves, they expect to see a continued resurgence of enrollments over the course of the next ten years.

They have and have had a ten year long range plan to guide the board consisting of three components – programs, facilities, and personnel. This is a living document reviewed by the board at retreat at least once annually to guide the direction for the future. It is shared with the community for input prior to being finalized. CPCSC also has a standing Community Task Force consisting of staff, patrons, and community members who review the long range plan and make recommendations for revisions or confirm the plan as presented. The long range plan is sent to an Agri-business group comprised of the largest land owners in the school district so they have the opportunity to review the plan and provide input.

As a part of the planning efforts for the projects before the board today, CPCSC commissioned a community based planning group referred to as the Decades of Excellence Task Force. The group was represented by constituents from across the community including those presently with children in school as well as those that had children in school to those that were simply interest in the school district without children in school. The group also included teachers and administrators. The group was facilitated by Dr. Don Dyck, an outside facilitator hired through Educational Services, Inc. Twenty-two sessions were held from November 2005 to June 2006 to study the issues related to enrollment growth in CPCSC. The demographic study and facility analysis, which included a capacity study, was shared with task force members as a part of their study.

What started as a rather routine matter of study later revealed some startling issues unique to CPCSC as related to debt capacity, building capacity, and enrollment growth. These issues were later referred to as the “perfect storm.” They all affected each other and they are expected to occur at approximately the same point in time in 2010, and they all affected recommendations for solutions proposed. The task force really studies these issues and pondered various scenarios for proposed solutions to CPCSC’s growth, but found no easily identified solutions.

Electronic surveys were conducted in the community forum settings to determine community preference to try to provide some guidance for the task force recommendations. An outside phone survey was also conducted to reach as many constituents as possible that may not have attended the community forum to determine their feelings about the school district. In other words, significant outreach was attempted to garner as much input as possible from as many sources as possible.

All of the information from each task force meeting was posted on the corporation’s web site for public and community review. The entire process was very open and transparent. As a result of these efforts, options were developed for consideration by the board of school trustees. The task force was educated from the beginning that they were a recommending body not a decision making body and they would ultimately make a recommendation to the Board of School Trustees, but it was the Clark-Pleasant Community School Corporation’s Board of School trustees that would make the final decisions for this project.

Obviously small schools with small class sizes would have been the preference of all parties involved, but the financial constraints of a plan allowing for that quickly made that not a viable option. Therefore, other options were developed. The task force completed their work in May 2006. However, due to constraints placed on the debt leeway by additional site costs imposed upon the school district by the county drainage board at another school under construction, the favored option of the task force needed to be reconsidered.

After much work between the architects, school administration and school board, a modified version of the favored option was given heavy consideration by the board and discussed in greater detail at the board’s annual retreat. It was further discussed in work session scheduled with the task force and board of school trustees in October, 2006. That discussion resulted in a recommendation made to the board at their regularly scheduled November board meeting which included the following: construct a new 1,600 student middle school with a construction of a “common core space” to be shared with the construction of a future addition of an intermediate school, minor renovations to the existing middle school located adjacent to the high school to become a part of the high school campus, and begin minor renovations on the high school to accommodate future enrollment growth. This plan appeared to address the issues associated with the “perfect storm” and use existing facilities to accommodate future growth issues.

Two more community forums were scheduled in the community to share this plan with the community and solicit their input. Both forums were well attended and the community members’ questions were addressed; however, no opposition was expressed regarding the proposed plan. The board adopted the plan and a timeline was set in place to begin the process for formally adoption the plan at a 1028 hearing.

With the preliminary determination and 1028 hearing scheduled for February 22, 2007 at 6:00 P.M., four additional community forums were scheduled in January and February to further review the plans with the community. Few people attended these sessions that were advertised in the local newspaper and in school newsletters.

The preliminary determination and 1028 hearings were held on February 22, 2007. Two people spoke against the project. The board of school trustees voted unanimously to proceed with the recommended project. The opposition asked for 30 days to discuss the plan with the administration and they were told they would be afforded that opportunity. The two people opposing the project met several times over the course of the next thirty days with members of the administration and planning team. Ultimately, they agreed to disagree. At the end of the thirty day period, the opposition filed for a petition remonstrance proceedings. The petition/remonstrance signature race was held from May 12, 2007 to June 14, 2007. The number of certified signatures indicated the school corporation's yellow side with 2,740 in favor of the project to 1,513 opposed to the project.

At the time of the preliminary determination and 1028 hearing, the proposed tax rate increase was projected to be approximately 13.5 cents increase over the course of the ten year long range plan. Just prior to the beginning of the signature drive, the projected tax rate was reduced to approximately 9 cents. However, they now have their certified AV and there is no tax rate impact with this sixty million dollar project. Again, they are very responsible and responsive to taxpayers and work diligently to keep tax rates low even though they are a rapidly growing school district with significant needs and unique circumstances.

This plan responsive to their enrollment growth needs, utilizes existing facilities, allows for flexibility for demographic changes, uses the concept of common core spaces to save money for the future expansion of another intermediate school, and allows them time to make plans for the high school site expected to double in enrollment by 2015. It also allows for them to grow their assessed valuation to help offset or lessen the tax rate of future projects necessitated by enrollment growth. Moreover, the projected taxes for anticipated future projects associated with their ten year long range plan, depending when they are needed, approved and built, will not increase as well.

As mentioned earlier, a segment of the "perfect storm" related to the issue of debt capacity as associated with the DLGF guidelines of no more than 15% debt compared to assessed valuations. The proposed projects allow for them to meet the needs of growing enrollments, but keeps them well below the debt threshold of 15% debt capacity. They are also cognizant of the cost per square foot guidelines and have worked diligently to keep their cost per square foot well below the established guidelines – proposed project for the new middle school \$154.000 per square foot compared to the guidelines of \$157.00 per square foot.

They have renovated and made additions to every existing school building in the school corporation to maximize the use of existing space, to lessen tax burdens, and allow time for them to plan for staffing and operational costs. Being ever mindful of the burden on taxpayers, they have tried to plan for a level tax rate associated with a growing assessed valuation as they plan

additions, renovations and new school facilities. However, with the enrollment projections for the next ten years and the developments underway or planned, all facilities will be at capacity by 2010. The planning, construction and operational costs associated with completing the work necessary for classroom spaces all opening in 2010 would be prohibitive. Therefore, they are attempting to phase their projects so they are opened when they need the space, allow them time to plan for staffing and operational costs, and keep their tax rate level as bond payments come due.

Planned construction for 2007 to 2010 includes a new middle school, adding classrooms and expanding the cafeteria at the existing middle school to be utilized as a part of the high school campus and expand cafeteria, develop parking lots and infrastructure for future expansion of high school.

Although they have a long range plan in place to guide their decision making, they have opted to seek approval project by project as their demographics are rapidly changing and may dictate a change in direction in the near future related to school construction needs. The Decades of Excellence Task Force and Board of School Trustees have adopted a plan that is very flexible to meet the needs of the future. Therefore, they are seeking approval for a bond issue of \$60,000,000 over a period of 27 years, with semi annual payments of \$2,452,500 to construct a new middle school, grades 7-8, on 94 acres of land previously acquired by the school corporation intended for future school construction. The optimal enrollment for this facility is 1,400 students with a capacity for a maximum enrollment of 1,600 students. The construction of this facility will also allow in the interim the relocation of intermediate school students for a few years to help alleviate overcrowding in our current intermediate school. They are also planning the construction of a larger common core space and HVAC systems in the middle school project that will allow for another intermediate school to be added in the future that can share these spaces and significantly reduce future construction costs when this school is added in the future.

As part of this bond issue, they are planning to use the existing middle school located adjacent to the high school as part of the high school campus. The 900 student facility will help alleviate significant overcrowding in the high school and delay significant construction costs for several years. Minor renovations are planned for this facility that will include adding a band and choir room, expanding the cafeteria, upgrade of the HVAC system and bringing restrooms up to standards for high school students to use.

In planning for the future expansion of the high school, projected to be 3,500 students by 2016, they are using bond proceeds to expand the cafeteria, expand the parking lots and develop infrastructure, and upgrade plumbing and HVAC units. They are looking to the future and planning today for the future needs of the school corporation all the while listening to their constituents and being responsive to taxpayers, yet conservative and flexible in their plans to meet today's needs and those of the future.

Mr. Bowen asked as the plan is presented today at 274,070 square feet how many students that will house. The Superintendent responded 1,600. Mr. Bowen asked how many square feet the future addition they are proposing will be and what the capacity will be. The Superintendent said the addition will be put on the opposite side of the building and will connect to the core

spaces. It will provide capacity for an additional 500 students. Mr. Bowen said they are adding all of the core space now, so the addition will only be for classrooms, but they are still under the baselines.

Mr. Besinger said people talk about the tax rate not increasing, but that deceives the public because if a taxpayer's AV goes up 30% they will be paying more money. Mr. Besinger said they should talk dollars not tax rate because the tax rate is very deceiving because it depends on assessed valuation.

Mr. Samuel asked in their opinion why this project is so controversial. The Superintendent responded he has no idea. Tad Bolson said he is part of the group of taxpayers that oppose this project and he invited the media.

Mr. Mills asked what the breakdown of their assessed valuation is. Mr. Mills asked how much is residential, rental and commercial. Mr. Sonntag said it is getting more commercial and residential and shifting away from agricultural. Mr. Mills asked what these numbers will look like if they get a one percent cap on assessed valuation. Mr. Sonntag said they have not run those numbers. Mr. Mills said he is not going to support this project until those numbers are run. Mr. Mills said they are looking now at taxing only 40% of residential property at 1%. Mr. Sonntag said those percentages are part of the plan being presented during the legislative session.

Mr. Bronnert said the caps apply to existing properties and are going to hurt future projects more so than this project.

Mr. Umbaugh asked Mr. Grabill to explain why they split the issue into three pieces. Mr. Grabill said that was a timing issue because not all of the money will be needed until 2010 or 2011. Mr. Umbaugh asked how they 5.5% interest rate they are using for the first part of the issue compares to current interest rates. Mr. Meno said the rate is at 4.65% today, so it is well below the 5.5% estimate. Subject to approval they anticipate this bond sale to take place in April 2008. Mr. Umbaugh said they have built in a margin of safety and are showing the board something higher than what they actually anticipate. Mr. Umbaugh said he likes them splitting the issue and timing the borrowing to reduce the overall interest cost. He also likes the shortened issues on the second two and thinks this is one of the better financing plans we have seen.

Tad Bolson said he is a dad in the school district who served on the long range task force that Dr. Coopman talked about earlier. Mr. Bolson said they believe that they have a better option. They are concerned about property taxes in the district because they have the highest property tax rate in the county. Their school district is the only district in the county with a tax rate above \$2.00. They also spend more per student than any other district in the county. The problem with this is their teachers are the second lowest paid in the county. They think they are spending too much on buildings. They are currently finishing up Pleasant Crossing Elementary School which could potentially end up costing \$22 million, or \$250 per square foot. They built a bus garage for \$6 million and spent \$4 million to remodel the administration building. That is \$10 million upfront spent recently on two buildings that do not house students. The concern is they have a limited commercial tax base, so when property taxes go up it affects property owners disproportionately. They have found that it is possible to build school buildings at a reasonable price. They utilized

modeling software and demographic projections to come up with alternate proposals. The school's demographer has revised the enrollment projections downward due to the recent crash in the housing market. They would like to propose building a smaller modular elementary school that could be expanded in the future and would only cost \$35 million upfront. The school officials are currently proposing costs \$60 million upfront that works out to \$132 million in new taxes over 27 years. They looked at pods versus empty classrooms and feel their proposal better utilizes space. The board's proposal is not taking care of lower grades. The task force was told the reason for the change was a cost issue, but newspaper clipping shows that was not the case. The project before the board now is more expensive than the project recommended by the task force. The school corporation is currently on academic watch. According to education statistics bigger schools are less safe. The community prefers smaller schools. The school gathered more signatures during the remonstrance process, but they used school district employees very heavily. It is difficult to say no to teachers when they are teaching your children. Most of the signatures gathered by the school district were gathered in the first ten days before many people were aware there were even two sides to the story. Almost forty people went through the hassle of switching their signature for the school's side to the other side. They conducted a phone survey and found by a margin of more than two to one people oppose the increase in taxes. They have the second lowest teacher pay and highest cost per student in the county. They think they have spending problems. They think they are spending too much on transportation. Center Grove spent \$2.5 million to transport 7,500 students over 2,200 route miles, but CPCSC spent \$4 million to transport 2,000 fewer students 700 fewer miles. They have already had some problems with construction management in the district. The elementary school is currently behind schedule. The school board went ahead and redistricted knowing the school was behind schedule so students are in portables and the high school gymnasium until the school is completed. Indiana is seventh in the county in school construction spending. CSO has been building a lot of schools around the state lately and there may be more cost effective companies that could be utilized.

Mr. Besinger asked if it was explained how much interest they would be paying on the \$60 million school. Mr. Bolson said during the nine months the task force met they wanted to get to the issue of price, but the school did not want to do that. They finally asked the representative from CSO in May of 2006 what school buildings cost in Indiana. They did not really know what the interest was going to be until the 1028 hearing. Mr. Besinger asked if anyone broke down the academic cost of the building versus the extracurricular cost. Mr. Bolson said he does not remember if it was broken down in that way. Mr. Besinger asked if they mentioned anything about increased operating expenses and pursuing a new facility appeal. Mr. Bolson said the task force was never told much about the meat and potatoes of the process. Mr. Bolson said they were told there would be a soft cost involved in the project of 30%. They were told they would appeal to cover the first year of operating expenses.

Ms. Shelton said her family was the original settlers of the area and dedicated a school building in 1902. Part of the \$3.6 million administration building is dedicated to her family. She was here in May of 2005 when they were requesting a bond issue for Pleasant Crossing Elementary School which should have cost \$15 million, but they requested \$20.7 million. The school now has spent all of that money and are six months behind. They have spent \$75,000 in just portable classrooms. Ms. Shelton's tax rate has gone up 340% since building her house in 1987 and 83%

of her tax bill goes to Clark Pleasant Schools. This is the taxpayers last line of defense so once again they are asking for help.

Mr. White said he has been living in the area since 2000. It is a wonderful place to live and they have been experiencing explosive growth. They need schools to go with the other amenities in the area. They are not asking for anything extravagant or that they do not need.

Mr. Bronnert asked the financial advisor to talk about how the interest cost was presented at the 1028 hearing. Mr. Grabill said tab five shows the materials that were used at the 1028 hearing. There is an exhibit that shows the proposed hard construction costs, estimated construction costs, soft costs, and capitalized interest for a total project cost. They used a 30% soft cost figure, which includes soft costs and capitalized interest to get the total project cost. Tab ten shows an operation cost analysis. They have been very upfront all along with total project cost. Page sixteen shows the maximum annual lease payment. Also included are total interest costs for each of the three series. The interest costs are high numbers because they are using 5.5-6% as interest cost. The second screen shows debt service impact. They tried to be very sensitive in saying there would be no tax impact. The impact of this project is 13.5 cents, but because of other debt coming up and an increasing AV the overall rate will stay stable. Also, page eighteen shows what the cost would be to various priced homes. A large portion of the commercial property is TIF.

Mr. Umbaugh asked if the school board is elected or appointed. The Superintendent said it is elected. Mr. Umbaugh said the result of the remonstrance was two to one.

Mr. Besinger asked if the tax impact information was in the paper. The Superintendent said all of this information was posted on the website.

Mr. Mills asked if a website is a viable way to distribute information. The Superintendent said it depends. Mr. Mills asked if a website is a viable source of information for the senior population. The Superintendent said he believes it is.

Dr. Seger asked what the board vote was on the October 16, 2007 lease rental resolution. The Superintendent said it was unanimous.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$4,905,000 for 27 years. Mr. Umbaugh seconded the motion, which favorably carried 5-4. Mr. Hartman, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

Carroll Consolidated School Corporation, Carroll County: Officials requested approval of a general obligation bond issue in the amount of \$1,000,000 with a term of two years. The total project cost is \$1,480,000. The tax rate impact was not reported and no new facility appeal expected. **The common construction wage scale was not available.** The project does not qualify for the petition and remonstrance process.

Present for the hearing was John Sayers, Superintendent; Dave Lambert, Board Member; Jane Herndon, Ice Miller, and Karl Vilamaa, Architect.

Project: The project includes:

- Replace Junior Senior High School heat exchangers and air handlers (\$130,000).
- Install new digital controls for heating at Carroll Junior Senior High School (\$195,000).
- Replace hot water piping and domestic hot water piping throughout the Carroll Junior Senior High School building (\$490,000).
- Separate water heater and pool heater from building boiler system at Carroll Junior Senior High School (\$190,000).
- Replace unit ventilators in classrooms at Carroll Junior Senior High School (\$395,000).

Comments: Mr. Sayers, Superintendent, said this project is for the replacement of piping in the jr./sr. high school and air handler units. They currently have steam heat. The intent is to equip hot water heat isolate pool and hot water heat so they can run them over the course of the summer. They will be installing digital controls at the front end of connections in as many places as they can financing permitting. The project is just under \$1.5 million. They are intending to use \$490,000 out of CPF to finance a portion. The bonds are for one million and have a term of two years. They payback will be \$650,000 the first year and \$350,000 the second year. They intend to buy some additional equipment in the second year, but that will be paid for out of CPF. They have been accumulating money from CPF to work on this project for two years. They do not have enough money accumulated for the entire project. The intent of the board is to have zero impact on the tax rate. The debt service would go up approximately a dime from what it is, but they would reduce CPF to offset that. Their rate has been steady within a penny for the past four years. They have been discussing this project for five years. They conduct public forums twice a year to discuss issues with taxpayers. No taxpayers attended the 1028 hearing so there have been no objections. Their current tax rate is right at \$1.30. On page eight the student to teacher ratio should be seventeen to one.

Mr. Besinger said he would like to commend them for their low debt and for using CPF for this.

Mr. Mills asked if they expect any energy savings from this. The Superintendent responded yes, but he does not have a dollar amount for that. The first savings will come from just isolating their pool and domestic hot water. At the jr./sr. high school right now they have to run the boilers all summer just to heat the domestic hot water and pool. By isolating that with one small unit they know they can shut the boilers down for that time period.

Mr. Bronnert asked if their long range plan includes any additional projects coming in the future. The Superintendent said their biggest project is the remodeling of their science facilities. The facilities are original from 1963. Mr. Bronnert asked if they are at the maximum CPF rate. The Superintendent responded yes.

Mr. Hartman asked if they have a rainy day fund. The Superintendent responded no.

Motion: Mr. Bowen made a motion to approve a general obligation bond issue in the amount of \$1,000,000. Dr. Seger seconded the motion, which favorably carried by a vote of 9-0.

Cannelton City Schools, Perry County: Officials requested approval of a general obligation bond issue in the amount of \$544,375 with a term of 6 years. The total project cost is \$544,375. The tax rate impact is \$0.3183 with no new facility appeal expected. The common construction wage scale is not applicable because this project does not involve construction. The project does not qualify for the petition and remonstrance process.

Present for the hearing was Al Chapman, Superintendent; John Hargis, Cannelton Schools' Attorney; Barbara Beard, School Board Member; Colette Irwin-Knott and Ryan Fetters, Umbaugh and Jane Herndon, Ice Miller.

Comments: Mr. Hargis, school attorney, said the school corporation has no building debt, but they are faced with a court judgment for \$600,000. The court has ordered the school to pay the judgment. The judgment was unavoidable. Mr. Hargis recommended that the school enter into an agreed judgment and thereby avoid expenses of litigation. The bank did not ask them to pay their attorney fees and the entered into this agreed judgment to avoid litigation expenses. Their intent subject to approval is to spread the tax impact over several years through a judgment funding bond. The process has been reported in the newspaper and they have been very open about the expected tax rate increase. There has been no opposition.

Mr. Chapman, Superintendent, said the town population is declining and the residents are very poor. The average income in town is about \$11,000. The Superintendent has been with the school corporation for four years. When he came there in 2004 the school board told him there had not been any entries in the ledger since January, so they were six months behind. In December he found out they also owed the Bond Bank \$900,000. They have made half a million dollars in cuts to personnel and are negotiating insurance contracts that may amount to an additional \$120,000 savings. They are doing everything they can, but they do have this judgment against them and they do have to pay it. There have been numerous articles in the newspaper about their debt situation.

Mr. Mills asked what the source of the debt was. The Superintendent said they had too much staff. At that time they had four administrators and a full-time AD, but they now have one principal and a Superintendent. They cut over five teacher positions. They are doing everything they can. They had been over counting on their ADM and had to pay back the state on that. When they started telling the truth state support dropped. Mr. Mills asked who had their debt. The Superintendent said the Bond Bank was holding it, but he moved it to the local banks in December of that year. He wanted the school board members to be able to go into the bank and find out what the amount of debt was.

Mr. Bronnert asked if the school board is elected or appointed. The Superintendent said they had a three member appointed board that was changed to a five member elected board a little over a year ago. They are elected in May for July. There will be two more seats up next year.

Mr. Bowen said the court judgment says \$617,900 and then the request is for a different amount. The Superintendent said that is based on the two percent indebtedness rule so the other money they are going to have to come up with local money they draw this year.

Mr. Bronnert said they really have no choice. Mr. Bronnert said if this is not approved the school will go bankrupt. The Superintendent said they have a judgment against them. They are making cuts, but they need to take care of this. Ms. Herndon said another option would be to levy all of this in one year, but the taxpayers would not like that because it would give a much greater rate impact.

Mr. Besinger asked what other choices they have if this is not approved. The Superintendent said he would have to confer with legal assistance because he does not know the answer. Cutting more personnel and insurance would be options, but insurance is in the contract so they cannot arbitrarily cut it. They have already cut most of the fluff.

Mr. Mills said their general fund tax rate is almost twice what other schools have. Mr. Mills asked why the school formula is not picking up more of that to lower their tax rate. They said they have no transportation rate. They do not bus students.

Mr. Besinger asked why they have a bus replacement rate if they do not have busses. The Superintendent said they have two 15 passenger used busses for extracurricular activities. Mr. Besinger asked how much that costs per year. The Superintendent said about \$11,000 per year.

Mr. Bronnert asked what consideration has been given to consolidation with the other two school districts in Perry County. The Superintendent said they have not considered it recently. The last time it came up it was so controversial there were death threats. Mr. Bronnert asked if they thought about going for a referendum to get more money. The Superintendent said he thinks the community will step forward to save their schools. The Superintendent said their numbers fluctuate. They are up 16 students on their ADM this year. They have had poor record keeping over the years. Some of this is cleaning up, but he believes people will step up to support this.

Motion: Mr. Umbaugh made a motion to approve a general obligation bond issue in the amount of \$544,375. Ms. Hine line seconded the motion, which favorably carried by a vote of 6-3. Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

Monroe Central School Corporation, Randolph County: Officials request approval of a lease rental agreement with maximum annual payments of \$400,000 for a term of 22 years. Total project costs are \$4,565,000. The tax rate impact is \$0.0000 with no new facility appeal expected. **The common construction wage scale was not available.** The last date to file for the petition/remonstrance process is November 5.

Present for the hearing was Zach Rozelle, Superintendent; Bob Chalfant, Board Vice President; Jason Hopper, Principal; Mellisa Holtzman and Angel Silvers, Parents; Jack Cox, Patron; Dennis Cahill, Odle McGire & Shook; Sid Baker, City Securities; Thomas Peterson, Ice Miller and Clyde Shaffer, Board of Trustees President.

Project: This project consists of work at the Junior/Senior High School and Elementary School. Work at the Junior/Senior High School includes:

- Renovate band and choir room and administration area

- Renovate Ag. Area to accommodate new science classrooms
- Provide new canopy at main entry / regrade concrete
- Replace main entry exterior doors, corridor academic lockers, and existing door hardware
- Upgrade sound system and theatrical lights at cafetorium
- Renovate existing space to accommodate new Wellness/Fitness Center
- Technology upgrades

Work at the Elementary School includes:

- Renovate administration area
- Replace main entry exterior doors
- Technology upgrades

Comments: Dr. Rozelle, Superintendent, said the board of school trustees from the outset of this project made sure the public had ample opportunity to provide input and the board listened and responded to what the taxpayers were telling them. This project began with a board retreat in 2005. At that time the board reviewed and discussed the perpetual repair and replacement list. This list identifies needs and wants of the school district and is prioritized on an annual basis. The total estimated cost if they were to address all of the items on the list was \$22,825,000. In cooperation with Odle, McGuire & Shook (OMS) they developed a rating form of items on the list for board members, the Superintendent, and building principals. Over the past three years they have used \$272,766 from CPF to replace the roof on the jr./sr. high school. This past summer they used \$149,000 from CPF to reallocate space in the elementary school for full day kindergarten. On November 14, 2006 the board authorized OMS to assist in the development of a master plan and schematic design. The initial project that was presented to the public included a performing arts facility, band/choir room addition and a wellness center. The board mailed flyers to every school corporation taxpayer. The brochure describe the scope of the project, the cost, the potential tax impact, and extended an invitation to attend any or all of four town meetings specifically scheduled to extend opportunity for public input on the project. As a result of community input the board decided to reduce the scope of the project and not build a new auditorium. OMS presented an updated schematic design on June 13, 2007 with an estimated cost of \$7,423,074. On July 10, 2007 the board made a commitment to focus the scope of the project on essential needs and no additional square footage and approves by a 5-0 vote a motion to advertise a 1028 hearing with no additional property tax impact. This was consistent with what patrons expressed to board members during the community forums. The project consists of science rooms within the existing structure, technology upgrades, renovated entryway to address safety concerns and new lockers.

Mr. Mills said they are only paying about 20% of this project off in the first half of the contract. Mr. Mills said financing the project will incur a lot of interest in a community that carries very little debt. Mr. Mills said he would support the project, but this is a ten year project, not a twenty year project. Mr. Baker said he would disagree that the useful life of the improvements is only ten years. Also, this is very close to a level repayment schedule. The final slide presented at the 1028 hearing revealed to the public if they did a straight line repayment the interest over the life of the project would be about \$250,000, but the tax impact would be four cents more. Mr. Mills said he would like this paid off sooner because they have a list lurking in the background and people may need to come back to do more work.

Mr. Umbaugh asked where the \$900,000 is coming from. Mr. Baker said the school has been granted a common school loan for construction.

Ms. Hineline asked what the outcome of the petition/remonstrance was. The Superintendent said there were no objections.

Mr. Bronnert said their enrollment is decreasing so they are receiving less support from the state. Mr. Bronnert said their teacher to student ratio is 15:1 where most schools have around 19:1. Mr. Bronnert said he is really concerned that they are not a growing school corporation and they have schools that are continuing to deteriorate. Mr. Bronnert asked how they are going to pay for things and keep up their quality education because costs are only going to get higher. The Superintendent said the student teacher ration probably includes special education and PE teachers. They have maintained their facilities and have excellent facilities. Monroe Central and Union Schools have a cooperative agreement and have received a grant to study consolidation. They are sharing teachers. The school corporation does have a vision that extends beyond the next five or ten years.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$400,000 for 22 years. Ms. Hineline seconded the motion, which favorably carried 6-3. Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

Northwest Allen County Schools, Allen County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,270,000 for a term of 22 years. Total project costs are \$19,061,000. The tax rate impact is \$0.0503 with a new facility rate impact of \$0.0216 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. The last date to file for the petition/remonstrance process is November 5. The construction cost per square foot of the new elementary school is 0.74% below the DLGF baseline.

Present for the hearing was Steve Yager, Superintendent; Paul Shaffer and Mary Wysong, Board Members; Bill Mallers, Business Manager; Jim Elizondo, City Securities and Karl Vilamaa, Architect.

Project: The new elementary school for Northwest Allen County Schools shall be a four section building serving special education preschool through fifth grade. It shall be nearly identical to Cedar Canyon Elementary school which the corporation constructed and occupied in fall, 2006. Each grade level shall be housed in an individual wing of the building to facilitate collaboration among grade level teachers. Related arts classrooms are grouped in a single corridor with the cafeteria and gym at one end. The media center is centrally located to all grade level classrooms as is the office. The latter is situated to provide physical control of all persons entering the building during occupied hours. The site is arranged to separate bus traffic from parent drop-off and pick-up. Building deliveries are separated off the bus traffic route.

The facility's structure shall consist of continuous spread concrete footings supporting load-bearing masonry walls and steel bar joist roof framing. The roof shall consist of a combination

4-ply built-up membrane and standing-seam metal. The exterior wall finish shall be brick veneer.

Each general education classroom shall contain ample natural light provided by operable windows. Ceilings shall be lay-in acoustic tile. Partition walls shall for the most be painted concrete masonry units. Floor finishes shall be primarily carpet in the classroom areas with hard surfaces in restrooms, cafeteria and service space. All classrooms are provided with plastic laminate storage cabinets, marker boards, LCD projectors, telephones and multiple data ports for computers.

Comments: Dr. Yager, Superintendent, said Northwest Allen County Schools is a rapidly growing district. They are growing in the 150-250 students per year range. They are meeting their demographic study projections. They currently have a 10-12 high school, a freshman campus, two middle schools, six elementary schools, a natatorium and an alternative school. There was a remonstrance last year because the remonstrators wanted to spend more to build a second high school, but they ended up adding on to the existing Carroll High School. The school board has a history of waiting to only build what is necessary. About a dozen patrons spoke in favor of the project at the 1028 hearing. Today they are requesting to build a new elementary school. An elementary school north of the proposed site is at 117% capacity and is utilizing four portables, and an elementary south of the site is at 120% capacity and currently has three portables. There has been a great deal of support from the community. There was no remonstrance and no talk of opposition. This project will take care of overcrowding with three schools in the 400 capacity range. Three of the other four elementary schools in the district are at 80-85% capacity and they have yet to implement full day kindergarten in those buildings. The last demographic study was completed in February 2007. Pending approval they hope to begin construction in spring of 2008 and have a target open date of August 2009. The floorplan is an exact duplication of an elementary school that was approved by the board a few years ago. This help to reduce architects fees. The school meets DLGF guidelines for cost per square foot. By using a duplication they already know the plan works. The school corporation already owns the land. The land is adjacent to Carroll Middle School so the retention areas, utilities and roadways are already there. The demographic study indicated that they are going to continue to grow by an additional 763 elementary students by 2015. The addition of this building will cause redistricting. Full day kindergarten will be recommended by the school board as soon as funding is available.

Mr. Mallers, Business Manager, said as present at the 1028 hearing this project is projected to cost \$19,061,000. The school has accumulated some funds from previous construction projects so they are going to put five million towards this project which will reduce the bond issue to \$14,061,000. With that reduction to the bond issue the tax rate impact will decrease from 4.1 cents to 2.7 cents.

The Superintendent said the board has a history of being prudent with taxpayer dollars. Their goal is to keep class sizes down, but they do not build anything until they absolutely need a new building. By putting five million towards this project that reduces the impact on taxpayers by 26%.

Mr. Bowen asked when the previous elementary school was reviewed by the Control Board. Mr. Mallers said it opened in the fall of 2006. Mr. Bowen said they are not below the DLGF guidelines because this building has 182 square feet per student and the guideline is 148. The Superintendent said part of the emphasis of the community is to keep class sizes low. They still abide by the Primetime statute. Middle level classes for grades 4-5 are in the 25:1 student to teacher ratio. They could easily increase the class sizes in the building to take it up to 650 or 700 students. Mr. Bowen asked what numbers they used to determine capacity. The Superintendent said for grades K-1 they used 18-20, two and three they used 20-22, and four and five they used 24-26.

Mr. Mills said they are showing a capacity of 550 for this building, but they said verbally they will only have 400 students per school. The Superintendent said one elementary is currently at 650 students and the other is at 700, but they are both over capacity, so they would like to create a situation where all three elementary schools are at 400 students. The Superintendent said the building is designed for 550 students, but they can go up to 650 if they need to by increasing class sizes. The target is 80-85% capacity to operate efficiently.

Mr. Bronnert asked if the tax bills have gone out in Allen County. Mr. Mallers responded yes, the final billing for 2007 was just due. Mr. Bronnert asked if generally speaking taxes went up in Allen County. Mr. Mallers said there was a wide range in how much taxes went up. Around the school district taxes went up four to five percent. There were some areas where taxes went up 50 percent, but those were specific areas that were annexed by Ft. Wayne.

Motion: Mr. Bronnert made a motion to approve a lease rental agreement with maximum annual payments of \$1,270,000 for 22 years. Ms. Hineline seconded the motion, which favorably carried 5-4. Mr. Hartman, Mr. Mills, Mr. Besinger, and Mr. Samuel cast the dissenting votes.

Jennings County Schools, Jennings County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,098,000 for a term of 13 years. Total project costs are \$7,054,864, with \$1,054,864 from the Capital Projects Fund. The tax rate impact is \$0.0317 with a new facility rate impact of \$0.0209 expected. **The common construction wage scale was not available.** There was no application for a petition and remonstrance process. The construction cost per square foot of the addition to Jennings County High School is 40.33% below the DLGF baseline.

Present for the hearing was Michael Bushong, Superintendent; Todd Heane, Assistant Principal; Glorianna Robbins and Mark Davis, Board Members; Amber Fields, Business Manager; John Howard, Administrative Assistant; Scott Veazey, Architect; Jim Boots, Construction Manager; Nate Day, Financial Advisor and Jeff Qualkinbush, Bond Counsel.

Project: This project consists of two proposed components. The first component is comprised of a two-story classroom addition that attaches to the northeast corner of the existing high school building. This component consists of thirteen classrooms that include two science classroom/lab spaces, a set of student restrooms of each level, hallways, and upper and lower level connections

to the existing building. The construction used within this component will aesthetically match the existing facility.

The second component will consist of the addition to the southwest corner of the existing building. This component will include two physical education stations and associated student locker rooms, storage for instructional equipment, two health classrooms, an instructor area, student restrooms, and a connection to the existing building that includes secure entry for after hour community use. This addition will consist of construction that will aesthetically match the existing high school and will be economical to construct.

Comments: Dr. Bushong, Superintendent, spoke about the project. Jennings County High School was opened in 1968. In the dedication materials, it was noted that the building contained 59 classrooms. Since its original construction, it has had six classrooms and a cafeteria overflow area added in 1992. In 1996 one classroom and office/storage areas were added. In 1998 renovation and upgrading of the Industrial Tech instructional space was done. In the later part of 2000 and early 2001 an addition project was attempted for the high school. The proposed project would not have exceeded \$5,400,000. It was to be financed by a \$3,270,000 bond and \$2,130,000 in available funds. At that time the needs identified included insufficient space for physical education, lack of health instruction spaces, and lack of space for extracurricular teams causing early morning and late night practices. However, this project did not proceed because of the petition-remonstrance process. At the time, representatives of the remonstrators, which included Mr. Wahlman, requested the project be delayed. The board listened to the community's response. Over the past five years, School Corporation funds and a bond issue have been able to provide needed upgrades and additions for the elementary schools. Overcrowding in the elementary schools has been addressed. Therefore, the Board believed it was time to investigate the needs at the high school. This investigation began in 2006 by the Board forming and stating the purpose of the JCHS Facilities Committee. This committee consisted of twenty-nine members of the community, three of which are present here today. The members included representatives of local government, representatives of agencies within the county, taxpayer representatives, private school representatives, parents, etc. The JCHS Facilities Committee met on six different occasions between March and July 2007. During these meetings, the Committee reviewed enrollments, projected enrollments, graduation requirements, condition of existing facilities using the state's building analysis form, available funding sources, reviewed a range of tax impacts for projects of different sizes, capped any tax impact at no more than five cents, and identified the most pressing needs of the school corporation. As a result, the Facilities Committee discovered that several areas of the high school were being used in a manner that was inconsistent with their original purpose. This change in use was due to changes in curriculum and growth in the student population. The Committee found that fifteen spaces had been consumed for purposes other than they were originally intended. More importantly, the Committee discovered that the high school was operating well in excess of its functional capacity. This was exemplified within the physical education classes where as many as half of the students must sit while waiting to take their turn in a planned lesson. Therefore, the Committee recommended to the Board that a project at Jennings County High School be pursued. The project minimums were defined to include no less than fourteen classrooms, two physical education stations with adjoining locker rooms and instructor areas, one set of public restrooms, and one set of student restrooms. The Committee recommended that this project

should be financed by utilizing Capital Projects Funds in combination with no more than a \$6 million bond. This bond amount was projected to have a tax impact of slightly over three cents. The Board accepted the Committee's recommendation and issued a request for proposals to ten architectural firms. In addition, the firms were directed to provide a design that would address the defined minimums while keeping the estimated hard constructions costs and their fee within the \$6 million bond amount. The project represents the addition of fifteen classrooms, a two-station physical education space, and the public and student restrooms. It will be financed through the utilization of a \$6 million dollar bond and \$1.2 million from the Capital Projects Fund. The project is in direct response to an identified need of the community, which is evidenced by the fact that there have not been any negative comments relative to the need for the proposed project from the public during and of this process since it was first announced. More importantly, no request for the petition-remonstrance process was filed relative to this project or its proposed financing. In fact, the comment was made that in this project more is being proposed academically for the amount spent than in the 2000-01 project.

To finance this project, the School Corporation will lease the existing High School from the local building corporation, which is comprised of five residents in the school community. The Building Corporation will then issue first mortgage bonds in an amount not exceeding \$6,000,000 which, together with funds from the School Corporation's capital projects fund, will pay for all of the costs of the project. A term of thirteen years was chosen in order to minimize interest costs without a significant increase in the tax rate. The annual lease rental payments will require a maximum debt service tax rate increase of approximately three cents over the current rate. Due to the increase size of the high school facility, they anticipate an increase in operating costs that may result in an increase in the general fund tax rate of approximately two cents. This possibility has been disclosed to the public, as well as the fact that they may pursue a new facility appeal for this increase.

Mr. Bronnert said he likes that they are only using a thirteen year term. The Superintendent said they discussed it and felt they would be able to do a short term.

Mr. Mills asked if they are planning to build a gymnasium and fourteen classrooms. The Superintendent said they are building fifteen classrooms total. They do not use the term gymnasium. Curriculum includes physical education. There has been a big push for wellness education in Jennings County. They currently have a two station PE space and have to put students up in the upper decks where it was not intended for physical education instruction. They are running adaptive PE for wheelchair students in the hallway. There are no bleachers in this new physical education space.

Dr. Seger asked if they are at their maximum CPF tax rate. The Superintendent responded yes.

Mr. Bronnert said they have 43% free and reduced lunch percent, 22% special education and a significant number of limited English students. Mr. Bronnert asked what they are doing to address this and their graduation rate. The Superintendent said before the change in how the graduation rate is calculated they were at well over 90%. Now, not all special education students graduate in four years. If all 22% of special education students take more than four years to graduate the best they can do with their graduation rate is 78%. Students leaving high school and

going to an adult education facility are counted against them in terms of graduation rate. Last Thursday they were given notice that they had 64 students whose status was unknown that would be counted against them. They were given until Friday to get it cleaned up. Three of those 64 students were deaths. Students cannot withdraw until they are eighteen so they can track them better. They believe their graduation rate to go up despite these limitations with the calculation.

Motion: Dr. Seger made a motion to approve a lease rental agreement with maximum annual payments of \$1,098,000 for 13 years. Mr. Bowen seconded the motion, which favorably carried 8-1. Mr. Hartman cast the dissenting vote.

South Gibson School Corporation, Gibson County: Officials request approval of a transportation appeal in the amount of \$50,000. The tax rate impact is \$0.00734. The appeal was properly advertised. Officials request the appeal due to an increase in fuel costs and an increase in the number of students transported/miles traveled. No new transportation positions have been added in the past three years. No new bus routes have been added over the past six years.

Present for the hearing was Tim Armstrong, Business Manager.

Comments: Mr. Armstrong said they use contracted busses only for their 23 daily routes. Section two provides a narrative for how much their co-op expects expenses to increase next year. Section three is a charge of 50% of Mr. Armstrong's salary and benefits to the transportation fund which is a goal they have been trying to achieve. The 2007 pay 2008 assessed valuation is an estimate as Gibson County is under a commercial property reassessment. They are trying to get back to having an operating balance in their transportation fund. They are asking for \$50,000 because last year they asked for a large amount because they had not appealed for several years and at that time the board's advice was to come back more often and ask for smaller amounts.

Mr. Bronnert said they have a contracted base and asked if they actually paid \$3.20 on November 1. Mr. Armstrong said they do not have pumps themselves. They have to pay their drivers the retail price. It is built into their contract. Mr. Bronnert asked if they actually pay the retail price even though the drives can get a break in prices. Mr. Armstrong responded yes.

Ms. Hineline asked if SBOA takes an exception to them paying their business manager's salary out of the transportation fund. Mr. Armstrong said no, not in the past, but they have not done it now for three years.

Dr. Seger asked if they have a transportation director. Mr. Armstrong said no, he is also the cafeteria director. Mr. Hartman said when they do their audit SBOA will require a record of hours worked to justify paying for this type of activity. Mr. Armstrong said if they money is not there at the end of the year in transportation they will not do the transfer.

Motion: Mr. Umbaugh made a motion to approve a transportation appeal in the amount of \$50,000. Ms. Hinline seconded the motion, which carried by a vote of 6-3. Mr. Mills, Mr. Besinger and Mr. Samuel cast the dissenting votes.